



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/066,120

01/31/2002

Paul Reiss

Hartford-7

3332

45722

7590

12/10/2008

Howard IP Law Group

P.O. Box 226

Fort Washington, PA 19034

EXAMINER

WEIS, SAMUEL

ART UNIT

PAPER NUMBER

3695

MAIL DATE

DELIVERY MODE

12/10/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/066,120	Applicant(s) REISS, PAUL	
	Examiner SETH WEIS	Art Unit 3695	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 September 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1 and 3-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This is in response to the Applicant's amendment filed September 11, 2008. No claims were amended. Claims 1 and 3-29 remain and have been examined.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1 and 3-29 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1 and 3-29 recite a process comprising the steps of receiving, identifying, divesting, and providing. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claims 15-29 recite in the preamble "a computer system...comprising." The body of claim 1 recites various "codes" in each limitation. Claims 15-29 are considered

Art Unit: 3695

non-statutory because the modules are considered to be software, per se. Functional descriptive material per se is not statutory. Functional descriptive material in combination with an appropriate computer readable medium must be capable of producing a useful, concrete and tangible result when used in a computer system. Since the “codes” lack storage on a medium and there are no instructions in executable form, no underlying functionality occurs and thus there is no practical application. For these reasons, claims 15-29 fails to satisfy one of the statutory categories set forth in 35 U.S.C. 101 and are therefore considered to be non-statutory.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1 and 3-29 are rejected under 35 U.S.C. 102(b) as being anticipated by Facciani et al., U.S. Pat. No. 5,999,917 (hereinafter, Facciani).

As to claims 1 and 3-29, Facciani discloses a computer method and computer system for conforming the value of elements of a portfolio account to known relation, said account receiving at least one deferred payment allocated among at least one category and receiving from said account an allocation of liabilities associated with said at least one payment allocated among at least a selected one of said at least one investment vehicles (abstract and Figs. 5 and 10) comprising:

Art Unit: 3695

receiving from said account an allocation of liabilities associated with said at least one payment allocated among at least a selected one of said at least one investment vehicles (See at least abstract and Figs. 5 and 10 and col. 6–9 and claims 1-3); identifying a liability balance comprising the step of: accumulating values of assets of the selected ones of said investment vehicles among each of said fund categories and said received liability allocation associated with the selected ones of said investment vehicles (See at least abstract and Figs. 5 and 10 and col. 6–9 and claims 1-3); identifying an asset balance associated with said portfolio account (See at least abstract and Figs. 5 and 10 and col. 6–9 and claims 1-3); divesting a portion of said selected ones of said investment vehicles from the portfolio account when said asset balance exceeds a known relation with regard to said liability balance until the value of the portfolio account is within limits with regard to the known relation to said liability balance (See at least abstract and Figs. 5 and 10 and col. 6–9 and claims 1-3); and providing an indication when the value of elements of the portfolio account conform to said known relation (See at least abstract and Figs. 5 and 10 and col. 6–9 and claims 1-3).

Language in a system claim that states only the intended use or intended result, but does not result in a structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim. Here, the language “operative for executing” is intended use. The code is not tangibly stored as a series of instructions (method claim) on a computer

Art Unit: 3695

readable medium. Furthermore, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly*, 263 F.2d 844, 847, 120 USPQ 528, 531 (CCPA 1959). A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1647 (Bd Pat. App & Inter. 1987). Thus, the structural limitation of claims 15-29 are disclosed by Facciani as described above. Also, as described above, the functional limitations in claims 15-29 do not distinguish the claimed apparatus from the prior art.

Examiner's Note: The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

Please also see Marshall, U.S. Pat. No. 6,766,303 for another reference on hedging liabilities.

Response to Arguments

6. Applicant's arguments, see Interview Summary, filed August 15, 2008 with respect to claims 1 and 15 have been fully considered and are persuasive. The rejection of June 11, 2008 has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of the Facciani reference and 101 considerations.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SETH WEIS whose telephone number is (571)272-1882. The examiner can normally be reached on 8:30 to 5, Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Stefanos Karmis/
Primary Examiner, Art Unit 3693